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This form is provided for informational purposes and should not be reproduced on personal computer printers by individual taxpayers for filing. The printed version of this form is a "machine readable" form. As such, it must be printed using special paper, special inks, and within precise specifications.

Additional information about the printing of these specialized tax forms can be found in: Publication 1167, *Substitute Printed, Computer-Prepared, and Computer-Generated Tax Forms and Schedules*; and, Publication 1179, *Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099 Series, 5498, and W-2G*.

The publications listed above may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). Be sure to order using the IRS publication number.

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 VOID CORRECTED

CREDITOR'S name, street address, city, state, and ZIP code		OMB No. 1545-1424 1996 Form 1099-C		Cancellation of Debt Copy A For Internal Revenue Service Center File with Form 1096. For Paperwork Reduction Act Notice and instructions for completing this form, see Instructions for Forms 1099, 1098, 5498, and W-2G.
CREDITOR'S Federal identification number	DEBTOR'S identification number			
DEBTOR'S name		3 Interest included in box 2 \$	4 Penalties, fines, admin. costs included in box 2 \$	
Street address (including apt. no.)		5 Debt description		
City, state, and ZIP code				
Account number (optional)		6 Check for bankruptcy <input type="checkbox"/>	7 Fair market value of property \$	

Form **1099-C**

Cat. No. 26280W

Department of the Treasury - Internal Revenue Service

Do NOT Cut or Separate Forms on This Page

CORRECTED (if checked)

CREDITOR'S name, street address, city, state, and ZIP code			OMB No. 1545-1424
			1996 Form 1099-C

**Cancellation
of Debt**

CREDITOR'S Federal identification number	DEBTOR'S identification number	1 Date canceled	2 Amount of debt canceled \$
DEBTOR'S name Street address (including apt. no.) City, state, and ZIP code		3 Interest included in box 2 \$	4 Penalties, fines, admin. costs included in box 2 \$
		5 Debt description	
Account number (optional)		6 Bankruptcy (if checked) <input type="checkbox"/>	7 Fair market value of property \$

**Copy B
For Debtor**
This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.

Form **1099-C**

(Keep for your records.)

Department of the Treasury - Internal Revenue Service

Instructions for Debtor

If a Federal Government agency, financial institution, or credit union cancels or forgives a debt you owe of \$600 or more, this form must be provided to you. Generally, if you are an individual, you must include the canceled amount on the "Other income" line of your tax return. If you are a corporation, partnership, or other entity, report the canceled debt on your tax return. See the instructions for your tax return.

However, some canceled debts, such as certain student loans (see Pub. 525), certain purchase money debt (see Pub. 334), qualified farm debt (see Pub. 225), qualified real property business debt (see Pub. 334), or debts canceled in bankruptcy (see Pub. 908), are not includible in your income. Do not report a canceled debt as income if you did not deduct it but would have been able to do so on your tax return if you had paid it. Also, do not include canceled debts in your income to the extent you were insolvent. If you exclude canceled debt from your income because it was canceled in a bankruptcy case or during insolvency, or because the debt is qualified farm debt or qualified real property business debt, file **Form 982**, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment).

Box 1.—Shows the date the debt was canceled.

Box 2.—Shows the amount of debt canceled.

Box 3.—Shows the amount of interest included in the canceled debt in box 2. See **Pub. 525**, Taxable and Nontaxable Income.

Box 4.—Shows penalties, fines, or administrative costs included in box 2 as part of the canceled debt.

Box 5.—Shows a description of the debt. If box 7 is completed, also shows a description of the property.

Box 6.—If the box is marked, the creditor has indicated the debt was canceled in a bankruptcy proceeding.

Box 7.—If, in the same calendar year, a foreclosure or abandonment of property occurred in connection with the cancellation of the debt, the fair market value of the property will be shown, or you will receive a separate **Form 1099-A**, Acquisition or Abandonment of Secured Property. You may have income or loss because of the acquisition or abandonment. See **Pub. 544**, Sales and Other Dispositions of Assets, for information about foreclosures and abandonments.

VOID CORRECTED

CREDITOR'S name, street address, city, state, and ZIP code			OMB No. 1545-1424
			1996
		Form 1099-C	

**Cancellation
of Debt**

CREDITOR'S Federal identification number	DEBTOR'S identification number	1 Date canceled	2 Amount of debt canceled \$
DEBTOR'S name Street address (including apt. no.) City, state, and ZIP code		3 Interest included in box 2 \$	4 Penalties, fines, admin. costs included in box 2 \$
		5 Debt description	
Account number (optional)		6 Check for bankruptcy <input type="checkbox"/>	7 Fair market value of property \$

**Copy C
For Creditor**
For Paperwork Reduction Act Notice and instructions for completing this form, see **Instructions for Forms 1099, 1098, 5498, and W-2G.**

Form **1099-C**

Department of the Treasury - Internal Revenue Service

Creditors, Please Note—

Specific information needed to complete this form and other forms in the 1099 series is given in the **1996 Instructions for Forms 1099, 1098, 5498, and W-2G**. A chart in those instructions gives a quick guide to which form must be filed to report a particular payment. You can order those instructions and additional forms by calling 1-800-TAX-FORM (1-800-829-3676).

Furnish Copy B of this form to the debtor by January 31, 1997.

File Copy A of this form with the IRS by February 28, 1997.



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